

Before the  
Federal Communications Commission  
Washington, D.C. 20554

In the Matter of )  
 )  
Family Broadcasting, Inc. )  
 )  
Order to Show Cause Why the Licenses for )  
Stations WSTX(AM) and WSTX-FM, )  
Christiansted, U.S. Virgin Islands, Should Not )  
Be Revoked )  
 )  
 )

DOCKET FILE COPY ORIGINAL

EB Docket No. 01-39

RECEIVED

MAR - 7 2006

Federal Communications Commission  
Office of Secretary

To: Marlene Dortch, Secretary  
Attention: Full Commission

**MOTION FOR STAY OF PROCEEDINGS**

Family Broadcasting, Inc. ("**Family**"), by its attorney, hereby respectfully requests the Federal Communications Commission ("**FCC**") issue an order, suspending this proceeding for a sufficient time to allow the FCC to review and act on an assignment application ("**Application**") seeking FCC consent to assign radio stations WSTX-FM (Facility I.D. No. 20601) and WSTX(AM) (Facility I.D. No. 20589) ("**Stations**"), Christiansted, VI from Family to Caledonia Communication Corporation ("**Caledonia**") pursuant to the FCC's *Second Thursday* doctrine.


In support thereof, Family has attached the Application hereto. As described in the attached Application, assignment of the Stations to Caledonia is in the public interest and consistent with the *Second Thursday* doctrine because Family will receive no benefit from the assignment and have no control of the Stations following the assignment, all of Family's innocent creditors will be paid in full, and the assignment will ensure the continued operation of the Stations.

Therefore, Family respectfully requests such a postponement for a period of time sufficient for the FCC to process and act upon the Application.

Respectfully submitted,

**Family Broadcasting, Inc.**

By:

  
Ronald W. Belfon, Esq., Its Attorney  
Belfon & Evert  
1217 Bjerre Gade, K.Q.  
St. Thomas, VI 00802  
(340)774-2830

No. of copies rec'd 074  
MAR 16 2006

**Certificate of Service**

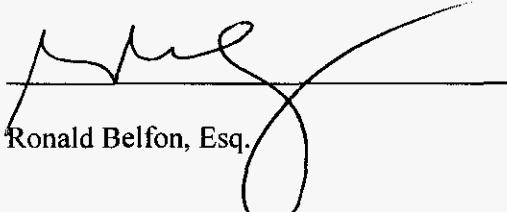
I, Ronald Belfon, do hereby certify that copies of the foregoing have been sent via first class, U.S. mail, postage prepaid, this 7<sup>th</sup> day of March, 2006, to the following:

Honorable Richard L. Sippel  
Chief Administrative Law Judge  
Federal Communications Commission  
445 12<sup>th</sup> Street, SW  
Washington, DC 20554

James Shook, Esq.  
Investigations/Hearing Division  
Enforcement Bureau  
Federal Communications Commission  
445 12<sup>th</sup> Street, SW  
Room 3-B443  
Enforcement Bureau  
Washington, DC 20554

Phillip R. Marchesiello  
Akin Gump Strauss Hauer & Feld LLP  
Robert S. Strauss Building  
1333 New Hampshire Avenue, NW  
Washington, DC 20036

Peter Doyle  
Audio Division, Media Bureau  
45 12<sup>th</sup> Street, SW  
Washington, DC 20554

  
\_\_\_\_\_  
Ronald Belfon, Esq.

City <b>ST. CROIX</b>	State or Country (if foreign address) <b>VI</b>	ZIP Code <b>00820 -</b>
Telephone Number (include area code) <b>3407737284</b>		E-Mail Address (if available) <b>KJARAMES@VITELCOM.NET</b>
4. Contact Representative (if other than assignee) <b>PHIL MARCHESIELLO</b>		Firm or Company Name <b>AKIN GUMP STRAUSS HAUER &amp; FELD LLP</b>
Mailing Address <b>1333 NEW HAMPSHIRE AVE., N.W.</b>		
City <b>WASHINGTON</b>	State or Country (if foreign address) <b>DC</b>	Zip Code <b>20036 -</b>
Telephone Number (include area code) <b>2028874348</b>		E-Mail Address (if available) <b>PMARCHESIELLO@AKINGUMP.COM</b>
5. If this application has been submitted without a fee, indicate reason for fee exemption (see 47 C.F.R. Section 1.1114): <input type="radio"/> Governmental Entity <input type="radio"/> Noncommercial Educational Licensee/Permittee <input type="radio"/> Other		
6. <b>Purpose of Application:</b> <input checked="" type="radio"/> Assignment of license <input type="radio"/> Assignment of construction permit <input type="radio"/> Amendment to pending application File number of pending application: - If an amendment, submit as an Exhibit a listing by Section and Question Number of the portions of the pending application that are being revised. [Exhibit 1]		
7. Were any of the authorizations that are the subject of this application obtained through the Commission's competitive bidding procedures (see 47 C.F.R. Sections 1.2111(a) and 73.5001)? <input type="radio"/> Yes <input checked="" type="radio"/> No [Exhibit 2] If yes, list pertinent authorizations in an Exhibit.		
8. a. Were any of the authorizations that are the subject of this application obtained through the Commission's point system for reserved channel noncommercial educational stations (see 47 C.F.R. Sections 73.7001 and 73.7003)? <input type="radio"/> Yes <input checked="" type="radio"/> No b. If yes to 8(a), have all such stations operated for at least 4 years with a minimum operating schedule since grant pursuant to the point system? <input type="radio"/> Yes <input type="radio"/> No If no, list pertinent authorizations in an Exhibit and include in the Exhibit a showing that the transaction is consistent with the holding period requirements of 47 C.F.R. Section 73.7005(a). [Exhibit 3]		

Federal Communications Commission Washington, D.C. 20554	Approved by OMB 3060-0031 (September 2004)	<b>FOR FCC USE ONLY</b>
<b>FCC 314</b>		<b>FOR COMMISSION USE ONLY</b> FILE NO. - 20060302ACP
<b>APPLICATION FOR CONSENT TO ASSIGNMENT OF BROADCAST STATION CONSTRUCTION PERMIT OR LICENSE</b>		
Read INSTRUCTIONS Before Filling Out Form		

**Section I - General Information**

1.	<b>Legal Name of the Licensee/Permittee</b> FAMILY BROADCASTING, INC.		
	<b>Mailing Address</b> PO BOX 3279		
	<b>City</b> CHRISTIANSTED, ST. CROIX	<b>State or Country (if foreign address)</b> VI	<b>Zip Code</b> 00822 -
	<b>Telephone Number (include area code)</b> 3407730390		<b>E-Mail Address (if available)</b>
	<b>FCC Registration Number:</b> 0004318341	<b>Call Sign</b> WSTX-FM	<b>Facility ID Number</b> 20601
2.	<b>Contact Representative (if other than licensee/permittee)</b> RONALD W. BELFON		<b>Firm or Company Name</b> BELFON & EVERT
	<b>Mailing Address</b> 1217 BJERGE GADE		
	<b>City</b> ST. THOMAS	<b>State or Country (if foreign address)</b> VI	<b>ZIP Code</b> 00802 -
	<b>Telephone Number (include area code)</b> 3407742830		<b>E-Mail Address (if available)</b> RBELFON@BELFON.VI
3.	<b>Legal Name of the Assignee</b> CALEDONIA COMMUNICATION CORPORATION		
	<b>Mailing Address</b> 2111 COMPANY STREET, SUITE 3		



## Section II - Assignor

<b>1. Certification.</b> Licensee/permittee certifies that it has answered each question in this application based on its review of the application instructions and worksheets. Licensee further certifies that where it has made an affirmative certification below, this certification constitutes its representation that the application satisfies each of the pertinent standards and criteria set forth in the application instructions and worksheets.	<input checked="" type="radio"/> Yes <input type="radio"/> No			
<b>2. Authorizations to be Assigned.</b> List the authorized stations and construction permits to be assigned. Provide the Facility Identification Number and the Call Sign, or the Facility Identification Number and the File Number of the Construction Permit, and the location, for each station to be assigned. Include main stations, FM and/or TV translator stations, LPTV stations, SCA, FM and/or TV booster stations, and associated auxiliary service stations.  [Enter Station Information]				
List the authorized stations and construction permits to be assigned. Provide the Facility Identification Number and the Call Sign, or the Facility Identification Number and the File Number of the Construction Permit, and the location, for each station to be assigned. Include main stations, FM and/or TV translator stations, LPTV stations, SCA, FM and/or TV booster stations, and associated auxiliary service stations.				
Facility ID Number	Call Sign	or Construction Permit File Number	City	State
20589	WSTX	-	CHRISTIANSTED	VI
20601	WSTX-FM	-	CHRISTIANSTED	VI

<b>3. Agreements for Sale of Station.</b> Licensee/permittee certifies that: <ul style="list-style-type: none"> <li>a. it has placed in its public inspection file(s) and submitted as an exhibit to this item copies of all agreements for the sale of the station(s);</li> <li>b. these documents embody the complete and final understanding between licensee/permittee and assignee; and</li> <li>c. these agreements comply fully with the Commission's rules and policies.</li> </ul> <b>Exhibit Required</b>	<input type="radio"/> Yes <input checked="" type="radio"/> No <b>[Exhibit 4]</b>
<b>4. Other Authorizations.</b> List call signs, locations and facility identifiers of all other broadcast stations in which licensee/permittee or any party to the application has an attributable interest.	<input checked="" type="checkbox"/> N/A <b>[Exhibit 5]</b>
<b>5. Character Issues.</b> Licensee/permittee certifies that neither licensee/permittee nor any party to the application has or has had any interest in, or connection with: <ul style="list-style-type: none"> <li>a. any broadcast application in any proceeding where character issues were left unresolved or were resolved adversely against the applicant or any party to the application; or</li> <li>b. any pending broadcast application in which character issues have been raised.</li> </ul>	<input type="radio"/> Yes <input checked="" type="radio"/> No See Explanation in <b>[Exhibit 6]</b>
<b>6. Adverse Findings.</b> Licensee/permittee certifies that, with respect to the licensee/permittee and each party to the application, no adverse finding has been made, nor has an adverse final action been taken by any court or administrative body in a civil or criminal proceeding brought under the provisions of any law related to any of the following: any felony; mass media-related antitrust or unfair competition; fraudulent statements to another governmental unit; or discrimination.	<input type="radio"/> Yes <input checked="" type="radio"/> No See Explanation in <b>[Exhibit 7]</b>
<b>7. Local Public Notice.</b> Licensee/permittee certifies that it has or will comply with the public notice requirements of 47 C.F.R. Section 73.3580.	<input checked="" type="radio"/> Yes <input type="radio"/> No
<b>8. Auction Authorization.</b> Licensee/permittee certifies that more than five years have passed since the issuance of the construction permit for the station being assigned, where that permit was acquired in an auction through the use of a bidding credit or other special measure.	<input type="radio"/> Yes <input type="radio"/> No <input checked="" type="radio"/> N/A See Explanation in <b>[Exhibit 8]</b>
<b>9. Anti-Drug Abuse Act Certification.</b> Licensee/permittee certifies that neither licensee/permittee nor any party to the application is subject to denial of federal benefits pursuant to Section 5301 of the Anti-Drug Abuse Act of 1988, 21 U.S.C. Section 862.	<input checked="" type="radio"/> Yes <input type="radio"/> No

I certify that the statements in this application are true, complete, and correct to the best of my knowledge and belief, and are made in good faith. I acknowledge that all certifications and attached Exhibits are considered material representations.

Typed or Printed Name of Person Signing  
**BARBARA JAMES-PETERSEN**

Typed or Printed Title of Person Signing  
**PRESIDENT**



Signature

Date

3/2/2006

**WILLFUL FALSE STATEMENTS ON THIS FORM ARE PUNISHABLE BY FINE AND/OR IMPRISONMENT (U.S. CODE, TITLE 18, SECTION 1001), AND/OR REVOCATION OF ANY STATION LICENSE OR CONSTRUCTION PERMIT (U.S. CODE, TITLE 47, SECTION 312(a)(1)), AND/OR FORFEITURE (U.S. CODE, TITLE 47, SECTION 503).**

## Section III - Assignee

<b>1. Certification.</b> Assignee certifies that it has answered each question in this application based on its review of the application instructions and worksheets. Assignee further certifies that where it has made an affirmative certification below, this certification constitutes its representation that the application satisfies each of the pertinent standards and criteria set forth in the application instructions and worksheets.	<input checked="" type="radio"/> Yes <input type="radio"/> No		
<b>2. Assignee is:</b> <input type="radio"/> an individual <input type="radio"/> a general partnership <input checked="" type="radio"/> a for-profit corporation <input type="radio"/> a limited partnership <input type="radio"/> a not-for-profit corporation <input type="radio"/> a limited liability company (LLC/LC) <input type="radio"/> other a. If "other", describe nature of applicant in an Exhibit. [Exhibit 9]			
<b>3. Agreements for Sale of Station.</b> Assignee certifies that: a. the written agreements in the licensee/permittee's public inspection file and submitted to the Commission embody the complete and final agreement for the sale of the station(s) which are to be assigned; and b. these agreements comply fully with the Commission's rules and policies.	<input type="radio"/> Yes <input checked="" type="radio"/> No  See Explanation in [Exhibit 10]		
<b>4. Parties to the Application.</b> a. List the assignee, and, if other than a natural person, its officers, directors, stockholders with attributable interests, non-insulated partners and/or members. If a corporation or partnership holds an attributable interest in the assignee, list separately its officers, directors, stockholders with attributable interests, non-insulated partners and/or members. Create a separate row for each individual or entity. Attach additional pages if necessary.  <table border="0"> <tr> <td data-bbox="191 1690 787 1921">           (1) Name and address of the assignee and each party to the application holding an attributable interest (if other than individual also show name, address and citizenship of natural person authorized to vote the stock or holding the attributable         </td> <td data-bbox="795 1690 1542 1900">           (2) Citizenship.             (3) Positional Interest: Officer, director, general partner, limited partner, LLC member, investor/creditor attributable under the Commission's equity/debt plus standard., etc.         </td> </tr> </table>		(1) Name and address of the assignee and each party to the application holding an attributable interest (if other than individual also show name, address and citizenship of natural person authorized to vote the stock or holding the attributable	(2) Citizenship.  (3) Positional Interest: Officer, director, general partner, limited partner, LLC member, investor/creditor attributable under the Commission's equity/debt plus standard., etc.
(1) Name and address of the assignee and each party to the application holding an attributable interest (if other than individual also show name, address and citizenship of natural person authorized to vote the stock or holding the attributable	(2) Citizenship.  (3) Positional Interest: Officer, director, general partner, limited partner, LLC member, investor/creditor attributable under the Commission's equity/debt plus standard., etc.		

interest). List the assignee first, officers next, then directors and, thereafter, remaining stockholders and other entities with attributable interests, and partners.

(4) Percentage of votes.

(5) Percentage of total assets (debt plus equity).

[Enter Parties/Owners Information]

**4a. Parties to the Application**

List the assignee, and, if other than a natural person, its officers, directors, stockholders with attributable interests, non-insulated partners and/or members. If a corporation or partnership holds an attributable interest in the assignee, list separately its officers, directors, stockholders with attributable interests, non-insulated partners and/or members. Create a separate row for each individual or entity.

(1) Name and address of the assignee and each party to the application holding an attributable interest (if other than individual also show name, address and citizenship of natural person authorized to vote the stock or holding the attributable interest). List the assignee first, officers next, then directors and, thereafter, remaining stockholders and other entities with attributable interests, and partners.

(2) Citizenship.

(3) Positional Interest: Officer, director, general partner, limited partner, LLC member, investor/creditor attributable under the Commission's equity/debt plus standard., etc.

(4) Percentage of votes.

(5) Percentage of total assets(debt plus equity).

(1) Name and Address	(2) Citizenship	(3) Positional Interest	(4) Percentage of Votes	(5) Percentage of total assets (debt plus equity)
AMANDA FRIEDMAN, 5020 ANCHOR WAY, CHRISTIANSTED, ST. CROIX, USVI 00820	US	SECRETARY, DIRECTOR	24.5	24.5

(1) Name and Address	(2) Citizenship	(3) Positional Interest	(4) Percentage of Votes	(5) Percentage of total assets (debt plus equity)
CALEDONIA COMMUNICATION CORPORATION, 2111 COMPANY ST., SUITE 3, CHRISTIANSTED, ST. CROIX, USVI 00820	US	ASSIGNEE	0	0

(1) Name and Address	(2) Citizenship	(3) Positional Interest	(4) Percentage of Votes	(5) Percentage of total assets (debt plus equity)
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JANIS RAMES, 2111 COMPANY ST., SUITE 3, CHRISTIANSTED, ST. CROIX, USVI 00820	US	VICE PRESIDENT, TREASURER, DIRECTOR	0	0
--	----	--	---	---

(1) Name and Address	(2) Citizenship	(3) Positional Interest	(4) Percentage of Votes	(5) Percentage of total assets (debt plus equity)
JONATHAN K. COHEN, 5020 ANCHOR WAY, CHRISTIANSTED, ST. CROIX, USVI 00820	US	SHAREHOLDER	24.5	24.5

(1) Name and Address	(2) Citizenship	(3) Positional Interest	(4) Percentage of Votes	(5) Percentage of total assets (debt plus equity)
KEVIN A. RAMES, 2111 COMPANY ST., SUITE 3, CHRISTIANSTED, ST. CROIX, USVI 00820	US	PRESIDENT, CHAIRMAN OF BOARD	51	51

or [Exhibit 11]

b. Assignee certifies that equity interests not set forth above are non-attributable.

☐ Yes ☐ No  
☒ N/A

See Explanation in  
[Exhibit 12]

5. Other Authorizations. List call signs, locations and facility identifiers of all other broadcast stations in which licensee/permittee or any party to the application has an attributable interest.	<input type="checkbox"/> N/A [Exhibit 13]
--	--

6. Multiple Ownership.	
<p>a. Is the assignee or any party to the application the holder of an attributable radio joint sales agreement or an attributable radio or television time brokerage agreement with the station(s) subject to this application or with any other station in the same market as the station(s) subject to this application?</p> <p>If "Yes," radio applicants must submit as an Exhibit a copy of each such agreement for radio stations.</p>	<p><input checked="" type="radio"/> Yes <input type="radio"/> No</p> <p>[Exhibit 14]</p>

<p><b>b. Assignee certifies that the proposed assignment complies with the Commission's multiple ownership rules and cross-ownership rules.</b></p> <p>Radio applicants only: If "Yes," submit an Exhibit providing information regarding the market, broadcast station(s), and other information necessary to demonstrate compliance with 47 C.F.R. § 73.3555(a).</p> <p>All applicants: If "No," submit as an Exhibit a detailed explanation in support of an exemption from, or waiver of, 47 C.F.R. § 73.3555.</p>	<p><input checked="" type="radio"/> Yes <input type="radio"/> No</p> <p>[Exhibit 15]</p>
<p><b>c. Assignee certifies that the proposed assignment:</b></p> <ol style="list-style-type: none"> <li>1. does not present an issue under the Commission's policies relating to media interests of immediate family members;</li> <li>2. complies with the Commission's policies relating to future ownership interests; and</li> <li>3. complies with the Commission's restrictions relating to the insulation and nonparticipation of non-party investors and creditors.</li> </ol>	<p><input checked="" type="radio"/> Yes <input type="radio"/> No</p> <p>See Explanation in [Exhibit 16]</p>
<p><b>7. Character Issues.</b> Assignee certifies that neither assignee nor any party to the application has or has had any interest in, or connection with:</p> <ol style="list-style-type: none"> <li>a. any broadcast application in any proceeding where character issues were left unresolved or were resolved adversely against the applicant or any party to the application; or</li> <li>b. any pending broadcast application in which character issues have been raised.</li> </ol>	<p><input checked="" type="radio"/> Yes <input type="radio"/> No</p> <p>See Explanation in [Exhibit 17]</p>
<p><b>8. Adverse Findings.</b> Assignee certifies that, with respect to the assignee and each party to the application, no adverse finding has been made, nor has an adverse final action been taken by any court or administrative body in a civil or criminal proceeding brought under the provisions of any law related to any of the following: any felony; mass media-related antitrust or unfair competition; fraudulent statements to another governmental unit; or discrimination.</p>	<p><input checked="" type="radio"/> Yes <input type="radio"/> No</p> <p>See Explanation in [Exhibit 18]</p>
<p><b>9. Alien Ownership and Control.</b> Assignee certifies that it complies with the provisions of Section 310 of the Communications Act of 1934, as amended, relating to interests of aliens and foreign governments.</p>	<p><input checked="" type="radio"/> Yes <input type="radio"/> No</p> <p>See Explanation in [Exhibit 19]</p>
<p><b>10. Financial Qualifications.</b> Assignee certifies that sufficient net liquid assets are on hand or are available from committed sources to consummate the transaction and operate the station(s) for three months.</p>	<p><input checked="" type="radio"/> Yes <input type="radio"/> No</p> <p>See Explanation in [Exhibit 20]</p>
<p><b>11. Program Service Certification.</b> Assignee certifies that it is cognizant of and will comply with its obligations as a Commission licensee to present a program service responsive to the issues of public concern facing the station's community of license and service area.</p>	<p><input checked="" type="radio"/> Yes <input type="radio"/> No</p>



<b>12. Auction Authorization.</b> Assignee certifies that where less than five years have passed since the issuance of the construction permit and the permit had been acquired in an auction through the use of a bidding credit or other special measure, it would qualify for such credit or other special measure.	<input type="radio"/> Yes <input type="radio"/> No  <input checked="" type="radio"/> N/A  See Explanation in [Exhibit 21]
<b>13. Anti-Drug Abuse Act Certification.</b> Assignee certifies that neither assignee nor any party to the application is subject to denial of federal benefits pursuant to Section 5301 of the Anti-Drug Abuse Act of 1988, 21 U.S.C. Section 862.	<input checked="" type="radio"/> Yes <input type="radio"/> No
<b>14. Equal Employment Opportunity (EEO).</b> If the applicant proposes to employ five or more full-time employees, applicant certifies that it is filing simultaneously with this application a Model EEO Program Report on FCC Form 396-A.	<input type="radio"/> Yes <input type="radio"/> No <input checked="" type="radio"/> N/A

I certify that the statements in this application are true, complete, and correct to the best of my knowledge and belief, and are made in good faith. I acknowledge that all certifications and attached Exhibits are considered material representations. I hereby waive any claim to the use of any particular frequency as against the regulatory power of the United States because of the previous use of the same, whether by license or otherwise, and request an authorization in accordance with this application. (See Section 304 of the Communications Act of 1934, as amended.)

Typed or Printed Name of Person Signing KEVIN RAMES	Typed or Printed Title of Person Signing PRESIDENT
Signature	Date 3/2/2006

WILLFUL FALSE STATEMENTS ON THIS FORM ARE PUNISHABLE BY FINE AND/OR IMPRISONMENT (U.S. CODE, TITLE 18, SECTION 1001), AND/OR REVOCATION OF ANY STATION LICENSE OR CONSTRUCTION PERMIT (U.S. CODE, TITLE 47, SECTION 312(a)(1)), AND/OR FORFEITURE (U.S. CODE, TITLE 47, SECTION 503).

## Exhibits

### Exhibit 4

#### Description: AGREEMENT FOR SALE

CERTAIN SCHEDULES TO THE ATTACHED ASSET PURCHASE AGREEMENT HAVE BEEN REDACTED BECAUSE THEY DO NOT CONTAIN INFORMATION OF DECISIONAL SIGNIFICANCE TO THE COMMISSION. THE PARTIES WILL PROVIDE COPIES OF THESE SCHEDULES TO THE COMMISSION UPON ITS REQUEST.



**Attachment 4**

Description
<u>Asset Purchase Agreement</u>

**Exhibit 6****Description:** CHARACTER ISSUES

PLEASE SEE THE MASTER EXHIBIT AT EXHIBIT 12

**Attachment 6****Exhibit 7****Description:** ADVERSE FINDINGS

PLEASE SEE THE MASTER EXHIBIT AT EXHIBIT 12.

**Attachment 7****Exhibit 10****Description:** AGREEMENT FOR SALE

PLEASE SEE EXHIBIT 4 ABOVE.

**Attachment 10****Attachment 12**

Description
<u>Master Exhibit</u>

**Exhibit 13****Description:** OTHER AUTHORIZATIONS

PLEASE SEE SECTION II, PART C OF THE MASTER EXHIBIT AT EXHIBIT 12.

**Attachment 13****Attachment 14**

Description

Time Brokerage Agreement

Attachment 15

Description

Multiple Ownership Report

20601

**ASSET PURCHASE AGREEMENT**

**ASSET PURCHASE AGREEMENT**, dated as of April 12, 2005, between Family Broadcasting, Inc., a U.S. Virgin Islands corporation ("Seller") and Virgin Islands Communication Corporation, a U.S. Virgin Islands corporation ("Buyer").

WHEREAS, Seller owns radio Stations WSTX and WSTX-FM, Christiansted, Virgin Islands (the "Stations"), and is the holder of the broadcast licenses, authorizations and/or construction permits relating to the Stations (collectively referred to as the "FCC Licenses") issued by the Federal Communications Commission ("FCC"); and

WHEREAS, Buyer and Seller have agreed that Seller shall sell and assign and Buyer shall purchase and acquire the Stations and the FCC Licenses on the terms and subject to the conditions set forth herein;

NOW, THEREFORE, in consideration of the foregoing and of the mutual agreements and covenants contained herein, the parties, intending to be bound legally, agree as follows:

**Section 1  
Definitions**

Unless otherwise stated in this Agreement, the following terms have the following meanings:

1.1 **Accounts Receivable** or Receivables means the rights of Seller to payment for advertising broadcast by the Stations, but only with respect to Seller's rights to such payments which, as of the Closing Date, will have been due and owing to Seller for no longer than 90 days.

1.2 **The Act** means the Communications Act of 1934, as amended.

1.3 **Assumed Contracts** means (i) all Contracts that Buyer has agreed to assume as of the Closing Date and (ii) any Contracts entered into by Seller between the date of this Agreement and the Closing Date that Buyer agrees in writing to assume.]

1.4 **Closing** has the meaning specified in Section 10.1 hereof.

1.5 **Closing Date** has the meaning specified in Section 10.1 hereof.

1.6 **Consents** means all consents, approval or permits of governmental authorities and other third parties necessary to transfer the Stations Assets to Buyer or otherwise to consummate the transactions contemplated by this Agreement.

1.7 **Contracts** means all contracts, leases, licenses, and other agreements, written or oral, including any amendments and other modifications thereto, to which Seller is a party or which are binding upon Seller and which relate to or affect the Stations Assets or the



business or operation of the Stations, and (i) which are effective on the date of this Agreement or (ii) which are entered into by Seller between the date hereof and the Closing Date.

1.8 **Environmental Laws** means all applicable federal, Territorial or local environmental law, statute, ordinance, order, rule or regulation relating to the environment or to the health and safety of humans.

1.9 **Exhibits and Schedules** refer to those Exhibits and Schedules attached to this Agreement.

1.10 **FCC** has the meaning specified in the first recital above.

1.11 **FCC Consent** means the action of the FCC granting its consent to the assignment of the FCC Licenses as contemplated by this Agreement.

1.12 **FCC Licenses** has the meaning specified in the first recital above.

1.13 **Final Order** means a written action or order issued by the FCC (a) which has not been reversed, stayed, enjoined, set aside, annulled or suspended, and (b) with respect to which (i) no requests have been filed for administrative or judicial review, reconsideration, appeal or stay and the periods provided by statute or FCC regulations for filing any such requests and for the FCC to set aside the action on its own motion have expired, or (ii) in the event of review, reconsideration or appeal, the FCC upholds the action and the period provided by statute or FCC regulations for further review, reconsideration or appeal has expired.

1.14 **Intangible Assets** means all intangible assets of Seller relating to the Stations, including the goodwill of the Stations, customer lists, sales and operating business plans, worldwide website(s) of the Stations, universal resource locator ("URL") of the Stations, proprietary information, technical information and data, machinery and equipment warranties, Seller's right, title and interest in and to the call signs WSTX and WSTX-FM and any intellectual property of Seller relating to the Stations such as copyrights, trademarks, trade names, service marks, service names, licenses, patents, permits, jingles, slogans and logos and other similar intangible property rights and interests applied for, issued to or owned by Seller by registration with a governmental authority or by common law, or under which Seller is licensed or franchised and which are used or useful in the business or operations of the Stations, together with any additions thereto between the date of this Agreement and the Closing Date.

1.15 **Licenses** means all licenses, permits and other authorizations issued by any federal, territorial or local governmental authorities to Seller in connection with the business or operations of the Stations, together with any additions thereto between the date of this Agreement and the Closing Date.

1.16 **Liens** means all mortgages, trusts, liens (statutory or otherwise), security interests, claims, pledges, licenses, equities, options, conditional sales contracts, assessments, levies, easements, covenants, reservation, restrictions, rights of way, exceptions, limitations, charges or encumbrances of any nature whatsoever.

1.17 **Purchase Price** has the meaning specified in Section 2.3 hereof.

**1.18 Stations Assets** has the meaning specified in the last paragraph of **Section 2.1** hereof.

**1.19 Stations Employees** means employees of Seller who work in the business and operation of the Stations.

**1.20 Tangible Personal Property** means all equipment, machinery, tools, vehicles, furniture, office equipment, inventory, spare parts, and other personal property which are used in the business or operation of the Stations, together with any additions thereto between the date hereof and the Closing Date, and less any retirements or dispositions thereof arising in the ordinary course of business between the date hereof and the Closing date.

## **Section 2** **Purchase and Sale of Assets**

**2.1 Assets to be Sold.** Subject to the terms and conditions set forth in this Agreement, Seller hereby agrees to sell, transfer and deliver to Buyer on the Closing Date, and Buyer agrees to purchase from Seller, the following:

- (a) All Licenses, including the FCC Licenses;
- (b) The Tangible Personal Property;
- (c) The Assumed Contracts;
- (d) All books, files (including, without limitation, the Stations' public inspection files), records, and logs relating to the business or operations of the Stations, [including executed copies of the Assumed Contracts], subject to the right of Seller to have such books and records made available to Seller for a reasonable period, not to exceed three (3) years after the Closing Date; and
- (e) The Intangible Assets.

All of the above described assets to be transferred to Buyer hereunder (collectively, the "Stations Assets") shall be transferred to Buyer free and clear of all debts, Liens, or other liabilities whatsoever.

**2.2 Excluded Assets.** The Stations Assets shall not include the following assets:

- (a) Seller's cash on hand, bank deposits, insurance policies, or other similar items; and any stocks, bonds, certificates of deposit and similar investments;
- (b) Seller's business name, including any rights to the name "Family Broadcasting, Inc.", any books and records which Seller is required by law to retain, all records relating to the excluded assets described in this Section 2.2 and to Seller's accounts payable and general ledger records, each subject to the right of Buyer to have access to and to copy that portion of such records which relate to the

Stations for a period of three years prior to the Closing Date, and Seller's books and records relating to Seller's internal limited liability company matters and financial relationships with Seller's lenders;

- (c) Computer software which is leased to or licensed by Seller;
- (d) Any pension, profit-sharing plan, or employee benefits plans;
- (e) Any claims, rights and interest in and to any refunds of federal, territorial or local franchise, income or other taxes or fees of any nature whatsoever for periods prior to the Closing Date; and
- (f) All assets of Seller not used in the business and/or operation of the Stations.

**2.3 Purchase Price; Payment** The price to be paid by Buyer for the Stations Assets shall be equal to the total amount due and owing from by the Seller to its creditors as that amount is determined in an approved Chapter 11 Plan of the Seller, which sum shall be paid by the Buyer to the creditors of the Seller under and pursuant to the approved Chapter 11 Plan. This sum shall not exceed Three Hundred fifty Thousand Dollars (\$350,000.00)

### **Section 3** **Seller's Representations and Warranties**

Seller represents and warrants to Buyer as follows:

**3.1 Organization and Standing.** Seller is a corporation duly organized, validly existing and in good standing under the laws of the U.S. Virgin Islands. Seller has all requisite power and authority (i) to own, lease and use the Stations Assets as now owned, leased and used, (ii) to conduct the business and operations of the Stations as now conducted, (iii) to execute and deliver this Agreement and the documents contemplated hereby, and to perform and comply with all of the terms, covenants and conditions to be performed and complied with by Seller hereunder. Seller is not a participant in any joint venture or partnership with any other person or entity with respect to any part of the operation of the Stations or any of the Stations Assets.

**3.2 Authorization and Binding Obligation.** The execution, delivery and performance of this Agreement by Seller have been duly and validly approved and authorized by resolution(s) of a super majority (at least 66-2/3%) of the shareholders and directors of Seller. This Agreement has been duly signed and delivered by Seller and constitutes the legal, valid and binding obligations of Seller, enforceable against it in accordance with its terms, except as the enforceability may be affected by bankruptcy, insolvency or other similar laws affecting creditors' rights generally, and by judicial discretion in the enforcement of equitable remedies.

**3.3 Absence of Conflicting Agreements.** Subject to obtaining the required Consents, Seller's execution, delivery and performance of this Agreement and the documents contemplated hereby (with or without the giving of notice, the lapse of time, or both): (i) do not require the consent of any third party; (ii) will not violate any provision of its articles of incorporation or by-laws; (iii) will not violate any applicable law, judgment, order, injunction,



decree, rule, regulation, ordinance or ruling of any court or governmental authority applicable to Seller; (iv) will not conflict with, constitute grounds for termination of, result in a breach of, constitute a default under, or accelerate or permit the acceleration of any performance required by the terms of, any agreement, instrument, license or permit, to which Seller is a party or by which Seller may be bound; and (v) will not create any claim, liability, mortgage, lien, pledge, condition, charge or encumbrance of any nature whatsoever upon any of the Stations Assets.

**3.4 Litigation.** Except for (i) the FCC hearing proceeding in EB Docket No. 01-39 pertaining to the FCC Licenses, and (ii) rulemaking proceedings generally affecting the broadcasting industry, there is no application, complaint, litigation, proceeding or investigation pending or, to Seller's knowledge, threatened against Seller or either of the Stations in any federal, state or local court, or before any administrative agency (including, without limitation, any FCC or other governmental proceeding) which may reasonably be expected to have a material adverse effect upon the business, property, assets or condition (financial or otherwise) of the Stations, or which seeks to enjoin or prohibit, or otherwise questions the validity of, any action taken or to be taken pursuant to or in connection with this Agreement.

**3.5 Licenses** Seller has delivered to Buyer true and complete copies of the Licenses (including any amendments and other modifications thereto). The Licenses have been validly issued and Seller is the legal holder thereof. The Licenses comprise all of the licenses, permits and other authorizations required from any governmental or regulatory authority for the lawful conduct of the business and operations of the Stations in the manner and to the full extent they are now conducted. None of the Licenses is subject to any restriction or condition that would limit the full operation of the Stations as now operated. The Licenses are in full force and effect.

**3.6 Tangible Personal Property.** Seller has delivered to Buyer a lists all material items of Tangible Personal Property. The Tangible Personal Property comprises all items of tangible personal property necessary to conduct the business and operations of the Stations as now conducted.

**3.7 Title to Stations Assets.** Seller does not lease any equipment in the operation of the Stations. Seller has good and marketable title to all Stations Assets, free and clear of Liens. None of the Stations Assets are subject to any restrictions with respect to the transferability thereof, except for the Consents. Subject to obtaining the Consents, Seller has complete and unrestricted power and right to sell, assign, convey and deliver the Stations Assets to Buyer as contemplated hereby. At Closing, Buyer will receive good and marketable title to all Stations Assets, free and clear of all Liens of any nature whatsoever. Seller has no knowledge of any circumstances, conditions, events or arrangements which may hereafter give rise to any liabilities on the part of any successor to the business of Seller in connection with the Stations, except in the ordinary course of business.

**3.8 Condition of Stations Assets.** All Stations Assets, including all broadcast equipment located at the Stations' transmitter site and studios, are in good operating condition and repair, free from any defects (except minor defects that do not interfere with the use thereof in the conduct of the normal operations of the Stations), have been maintained consistent with the standards generally followed in the broadcast industry and are sufficient to carry on the

business of the Stations as conducted during the preceding 12 months. To Seller's knowledge, all components of the buildings and other structures owned or otherwise utilized by the Seller are in good condition and repair and have no structural defects, water damage or leakage, or defects affecting the plumbing, electric power, telephone service, sewage and waste disposal facilities, or heating, ventilating or air conditioning systems. Seller's use and operation of the Stations from the Stations' studio site and transmitter sites is not in violation of any law, statute, ordinance, rule or regulation of any government, governmental body, agency or authority (federal, territorial or local). Notwithstanding anything in this Section to the contrary, Buyer understands and accepts that both Stations are currently operating under Special Temporary Authorities granted by the FCC; that Station WSTX- FM is operating at a different site from the one specified in its license, using a low power exciter and temporary antenna; and that Station WSTX is using a long wire antenna.

**3.9 Environmental Matters.** All activities of the Stations or of Seller with respect to the Stations, at or upon the studio site and the transmitter site of each of the Stations have been and are being conducted in compliance with Environmental Laws. To Seller's knowledge, no hazardous substance nor any petroleum products as defined in Environmental Laws, is present in any medium in the operations of the Stations in such a manner as may require remediation under any applicable law. No polychlorinated biphenyls ("PCBs") or substances containing PCBs, nor any asbestos or materials containing asbestos are present in the structures or equipment utilized by Seller and any such PCBs or asbestos previously present in or on such property have been removed and disposed of in accordance with all Environmental Laws. Seller has not been notified by any governmental authority of any violation by Seller or the Stations of any Environmental Law and to Seller's knowledge, no unresolved claims have been made to the contrary. The operation of the Stations is in compliance in all material respects with current standards of the American National Standards Institute ("ANSI") required to be met under applicable FCC rules and regulations.

**3.10 Assumed Contracts.** Seller has provided to the Buyer a true and complete list of all Assumed Contracts. Seller has delivered true and complete copies of all Assumed Contracts. All of the Assumed Contracts are in full force and effect and are valid, binding and enforceable against Seller and, to the knowledge of Seller, the other parties thereto, in accordance with their terms except as their enforceability may be affected by bankruptcy, insolvency, or similar laws affecting creditors' rights generally, and by judicial discretion in the enforcement of equitable remedies. Seller is not in default under any Assumed Contract. Nor has Seller granted or been granted any material waiver or forbearance with respect to any Assumed Contract. No event or omission has occurred which through the passage of time or the giving of notice, or both, would constitute a default by Seller under any Assumed Contract or cause acceleration of any of Seller's obligations or result in the creation of any Lien on any of the Stations Assets. To Seller's knowledge, no third party is in default under any Assumed Contract nor has any event or omission occurred which, through the passage of time or the giving of notice, or both, would constitute a default thereunder or give rise to an automatic termination, or the right of discretionary termination, thereof. Except for the need to obtain Consents to Assumed Contracts, Seller has full legal power and authority to assign its rights under the Assumed Contracts to Buyer in accordance with this Agreement, and such assignment will not affect the validity, enforceability or continuation of any of the Assumed Contracts.

**3.11 Financial Information.** Seller has provided true and complete copies of the Stations' statement of operations and statement of cash flows, both for the year ending December 31, 2002 (collectively, the "Financial Statements"). To Seller's knowledge, all of such Financial Statements have been prepared in accordance with Seller's books and records, and fairly present the assets, liabilities and financial position, the results of operations and cash flows of Seller as of the date and for the year and period indicated.

**3.12 Absence of Undisclosed Liabilities.** Except as and to the extent specifically disclosed in the Financial Statements, Seller does not have any liabilities other than commercial liabilities and obligations incurred in the ordinary course of business and consistent with past practice and none of which has or will have a material adverse effect on the business, financial conditions or results of operation of the Stations by Buyer after the Closing.

**3.13 Taxes.** All federal tax returns required to have been filed by or on behalf of Seller and all tax returns required to be filed by or on behalf of Seller in the U.S. Virgin Islands or any political subdivision thereof, have been timely filed and the taxes paid or adequately accrued; (ii) Seller has duly withheld and paid all taxes which it is required to withhold and pay relating to salaries and other compensation heretofore paid to employees of the Stations; and (iii) Seller has not received any notice of underpayment of taxes or other deficiency which has not been paid and there are no outstanding agreements or waivers extending the statutory period of limitations applicable to any tax return or report filed by Seller. To Seller's knowledge, there are no governmental investigations or other legal, administrative, or tax proceedings pursuant to which Seller is or could be made liable for any taxes, penalties, interest, or other charges, the liability for which could extend to Buyer as transferee of the business of the Stations, and to Seller's knowledge, no event has occurred that could impose on Buyer any transferee liability for any taxes, penalties or interest due or to become due from Seller.

**3.14 Station Employees.** Seller has delivered to the Buyer a true and complete list of all Station Employees. Seller has delivered to Buyer true and complete copies of all employment agreements for the Station Employees.

**3.15 Compliance With Laws.** The Stations are operating in compliance in all material respects with the Licenses, the Act, and the current rules and regulations of the FCC. Seller and the Stations have complied and remain in compliance in all material respects with all other federal, territorial and local laws, rules, regulations and ordinances applicable or relating to the ownership, business and operations of the Stations, and, except with respect to the pending license revocation proceeding (EB Docket No. 01-39) before the FCC, Seller has received no notice or other communication from any governmental authority indicating that Seller is not in compliance in all material respects with all requirements of the FCC, the Act or applicable state and local laws, rules, regulations and ordinances. Seller is not in default with respect to any judgment, order, injunction or decree of any court, administrative agency, or other governmental authority in any respect material to the transactions contemplated hereby.

**3.16 Reports, Fees and Local Public File.** All reports, returns and statements of a material nature currently required to be filed by Seller with the FCC or with any other governmental agency have been filed, and all reporting requirements of the FCC and other governmental authorities having jurisdiction over Seller have been complied with in all material



respects. All of such returns, reports and statements are substantially complete and correct as filed. Seller has paid to the FCC all annual regulatory fees payable with respect to the FCC Licenses required to be paid by Seller. The Stations' public inspection files are maintained by Seller in compliance with FCC rules, and will be complete and up-to-date on the Closing Date.

**3.17 Promotional Rights.** The Intangible Property includes all call signs, trade names, slogans, servicemarks, service names, commercials, and other similar intangible property rights used or useable to promote or identify the Stations, all of which are in good standing and uncontested. Seller has no knowledge of any infringement or unlawful or unauthorized use of those promotional rights, including without limitation the use of any call sign, slogan or logo by any broadcast Stations or cable system in the U.S. Virgin Islands, that may be confusingly similar to the call signs, slogans, and logos currently used by the Stations.

**3.18 Absence of Certain Changes.** There has not been: (a) any material adverse change in the financial condition, Stations Assets, prospects or operations of the Stations; (b) any material loss, damage or destruction, whether covered by insurance or not, affecting the Stations or the Stations Assets; (c) except in the ordinary course, any increase in the compensation, salaries or wages payable or to become payable to any employee of Seller who is employed at the Stations (including, without limitation, any increase or change pursuant to any bonus, pension, profit sharing, retirement or other plan or commitment), or any bonus or other employee benefit granted, made or accrued; (d) any Lien made on any of the properties or assets of Seller that are Stations Assets; (e) except in the ordinary course, any sale, lease or other transfer of disposition of any properties or assets of Seller that are Stations Assets (or that would have been Stations Assets had no such disposition occurred); (f) any entering into, amendment or termination by Seller of any contract, or any waiver of material rights thereunder, other than in the ordinary course of business; (g) any commitment or transaction by Seller in connection with or affecting the Stations (including, without limitation, any borrowing or capital expenditure) other than in the ordinary course of business consistent with past practice; or (h) any other event or condition not in the ordinary course of business of Seller.

**3.19 Broker.** Neither Seller nor any person acting on Seller's behalf has incurred any liability for any finders' or brokers' fees or commissions in connection with the transactions contemplated by this Agreement.

**3.20 Disclosure.** No representation or warranty made by Seller in this Agreement and no statement made by or on behalf of Seller in any certificate, document, instrument, exhibit or schedule delivered or to be delivered by Seller pursuant hereto contains or will contain any untrue statement of a material fact, or omits or will omit to state any material fact necessary to make such representation or warranty or such statement not misleading.

**3.21 Assumption of this Agreement and the Local Marketing Agreement.** The Programmer and the Licensee acknowledge that the Licensee is contemplating the prospect of filing a Chapter 11 Bankruptcy proceeding in the United States Bankruptcy Court for the District of the Virgin Islands. If a petition in bankruptcy is filed, the Licensee understands that this Agreement and the Local Marketing Agreement may be rescinded by the giving of a Notice of Rescission. However, Licensee affirms that this Agreement and the Local Marketing Agreement represents a fully informed and voluntary agreement by the Licensee; that this

Agreement and the Local Marketing Agreement is to the advantage of the Licensee and to Licensee's creditors, that it does not impose an undue hardship on the Licensee and that the Licensee's creditors and that the Licensee has been fully advised by counsel of the legal consequences of this Assignment and the Local Marketing Agreement. On this basis, the Licensee covenants and agrees that it will file such documents and do such things as may be required to assume this Assignment and the Local Marketing Agreement under and pursuant to the provisions of 11 U.S.C. § 365.

#### **Section 4** **Buyer's Representations and Warranties**

Buyer represents and warrants to Seller as follows:

**4.1 Organization and Standing.** Buyer is a corporation, duly organized, validly existing and in good standing under the laws of the U.S. Virgin Islands. Buyer has all requisite corporate power and authority to execute and deliver this Agreement and the documents contemplated hereby, and to perform and comply with all of the terms, covenants and conditions to be performed and complied with by Buyer hereunder.

**4.2 Authorization and Binding Obligation.** The execution, delivery and performance of this Agreement by Buyer has been duly and validly authorized by all necessary corporate action on its part. This Agreement has been duly signed and delivered by Buyer and constitutes its legal, valid and binding obligations, enforceable against it in accordance with its terms, except as the enforceability may be affected by bankruptcy, insolvency or other similar laws affecting creditors' rights generally and by judicial discretion on the enforcement of equitable remedies.

**4.3 Absence of Conflicting Agreements.** Subject to obtaining the FCC Consent, Buyer's execution, delivery and performance of this Agreement and the documents contemplated hereby (with or without the giving of notice, the lapse of time, or both): (i) do not require the consent of any third party; (ii) will not violate any provision of the articles of incorporation or by-laws of Buyer; (iii) will not violate any applicable law, judgment, order, injunction, decree, rule, regulation, ordinance or ruling of any court or governmental authority; and (iv) will not conflict with, constitute grounds for termination of, result in a breach of, constitute a default under, or accelerate or permit the acceleration of any performance required by the terms of, any agreement, instrument, license or permit, to which Buyer is a party or by which Buyer may be bound, such that (with respect to this clause(iv) only) Buyer could not acquire or operate the Stations Assets.

**4.4 Licensee Qualifications.** To Buyer's knowledge, there is no fact that would, under the Act and the rules, regulations and published policies of the FCC, each as in effect on the date of this Agreement, disqualify Buyer from being the Licensee of the Stations.

**4.5 Broker.** Buyer is not responsible for, nor has any person acting on Buyer's behalf incurred any liability for, any finders' or brokers' fees or commissions in connection with the transactions contemplated by this Agreement.

**4.6 Absence of Litigation.** There is no litigation, proceeding or investigation pending or, to Buyer's knowledge, threatened against it in any federal, territorial or local court or before any administrative agency or arbitrator, or before any other tribunal duly authorized to resolve disputes, and which seeks to enjoin or to prohibit or otherwise to question the validity of any action taken or to be taken by Buyer pursuant to or in connection with this Agreement.

**4.7 Disclosure.** No representation or warranty made by Buyer in this Agreement and no statement made by or on behalf of Buyer in any certificate, document, instrument, exhibit or schedule delivered or to be delivered by Buyer pursuant hereto contains or will contain any untrue statement of a material fact, or omits or will omit to state any material fact necessary to make such representation or warranty or any such statement not misleading.

## **Section 5** **Covenants of Seller**

**5.1 Affirmative Covenants.** Between the date hereof and the Closing Date, except as contemplated by this Agreement or with the prior written consent of Buyer, Seller shall:

- (a) Conduct the business and operations of the Stations in the ordinary course, in accordance with its past practices and in accordance with other covenants in this Section 5;
- (b) Afford to Buyer and its counsel, accountants, engineers and other authorized representatives reasonable access during normal business hours to the Stations Assets and to the books and records relating thereto, and furnish or cause to be furnished to Buyer and its authorized representatives all information relating to the Stations Assets as they may reasonably request. No inspection or investigation made by or on behalf of Buyer, or Buyer's failure to make any inspection or investigation, shall affect Seller's representations, warranties and covenants hereunder or be deemed to constitute a waiver of any of those representations, warranties and covenants;
- (c) Maintain all of the Stations Assets in good condition, wear and tear excepted, and to use, operate and maintain all Stations Assets in a reasonable manner and in accordance with the terms of the FCC Licenses, all rules and regulations of the FCC and generally accepted standards of good engineering practice;
- (d) Diligently maintain its books and records relating to the Stations;
- (e) Conduct the business of the Stations in accordance with the Act, all applicable FCC rules and regulations, and any other applicable federal, state or local rules and regulations, in all material respects. Upon receipt of notice of violation of any such laws, rules and regulations, Seller will promptly notify Buyer of such notice and shall use all commercially reasonable efforts to cure such violation prior to the Closing Date;

- (f) Promptly notify Buyer in writing in the event Seller becomes aware of: (i) any litigation or administrative proceeding pending or threatened against Seller which challenges the transactions contemplated hereby; (ii) any material developments with respect to the business or operations of the Stations; or (iii) any substantial damage to or destruction of any material Stations Asset;
- (g) Obtain the Consents without any change in the terms or conditions of any Assumed Contract or License that could be less advantageous to the Stations than those pertaining under the Assumed Contract or License on the date of this Agreement. Seller shall promptly advise Buyer of any difficulties experienced in obtaining any of the Consents and of any conditions proposed, considered, or requested for any of the Consents; and,
- (h) Remove any PCBs that may be present at the transmitter site of either of the Stations.

**5.2 Negative Covenants.** Between the date hereof and the Closing Date, except as contemplated by this Agreement or with the prior written consent of Buyer, Seller shall not:

- (a) Amend, modify or terminate any of the Assumed Contracts;
- (b) Create, assume or permit to exist any Lien of any nature whatsoever upon any of the Stations Assets, except for Liens which shall be removed prior to the Closing Date;
- (c) Sell, assign, lease or otherwise transfer or dispose of any of the Stations Assets, except in the ordinary course of Seller's business and in connection with the acquisition of replacement property of equivalent kind and value;
- (d) Waive any material right relating to the Stations or the Stations Assets;
- (e) (i) Cause or permit, by any act or omission, the FCC Licenses to expire or be surrendered or modified, or take any action which would cause the FCC or any other governmental authority to suspend, revoke or adversely modify in any material respect any FCC Licenses; (ii) surrender, modify, forfeit or fail to seek renewal of, the FCC Licenses or cause the FCC or any other governmental authority to institute any proceedings for the cancellation or modification thereof; (iii) fail to prosecute with due diligence the issues pending before the FCC in EB Docket No. 01-39, any pending material application before the FCC or any other governmental authority relating to the Stations; or (iv) take any other action within its control which would cause the Stations to be noncompliant with any material requirements of the Act, any other applicable law, or any FCC or other governmental authority's rules and regulations material to the transactions contemplated by this Agreement; or



- (f) Take any other action inconsistent with its obligations under this Agreement or which could hinder or delay the consummation of the transactions contemplated by this Agreement.

## **Section 6**

### **Covenants of Buyer**

**6.1 Pre-Closing Covenants.** Between the date hereof and the Closing Date, Buyer shall:

- (a) File with the FCC all applications and other documents required to be filed by Buyer in connection with the transactions contemplated hereby and promptly furnish all such information as the FCC may request;
- (b) Refrain from knowingly doing any act that would disqualify Buyer from becoming the licensee of the Stations;
- (c) Refrain from taking any action designed to control, supervise or direct the business or operations of the Stations, including its programming, employees and policies, which remain the Seller's responsibility until the Closing;
- (d) Refrain from taking any action inconsistent with its obligations under this Agreement or which could hinder or delay the consummation of the transactions contemplated by this Agreement; and
- (e) Obtain a report prepared by a reputable company engaged in the business of conducting lien searches showing the results of searches of lien, tax, judgment, and litigation records pertaining to Seller and the Stations Assets.

**6.2 Post-Closing Covenants.** After the Closing Date, Buyer shall preserve the records of Seller which it has received from Seller for a period of three (3) years from the date of this Agreement and provide Seller and its agents reasonable access thereto.

**6.3 Collection of Accounts Receivable.** Buyer agrees for a period of one hundred twenty (120) days from the Closing Date (the "Collection Period") to act as agent for Seller for the collection of Accounts Receivable owing to Seller. Seller Shall furnish to Buyer at Closing a list of the Accounts Receivable and the amounts due. Buyer shall collect such Accounts Receivable without commission or compensation, and shall forward to Seller all amounts collected at intervals of approximately every thirty (30) days during the Collection Period. Buyer shall not, without consent of Seller, compromise or settle for less than full value any such Accounts Receivable. Buyer shall not incur any liability as a result of failure to collect the Accounts Receivable, but will exercise commercially reasonable efforts to collect same. Seller will not, without the written consent of Buyer, make any direct solicitation for payment of said receivables during the Collection Period. Any Accounts Receivable not collected during the Collection Period shall be delivered back to Seller. It is understood and agreed that during the Collection Period all moneys collected from advertisers indebted to Seller shall first be applied,